Grid Scale Energy Storage:

Linchpin Technology for our Clean and Secure Energy Future

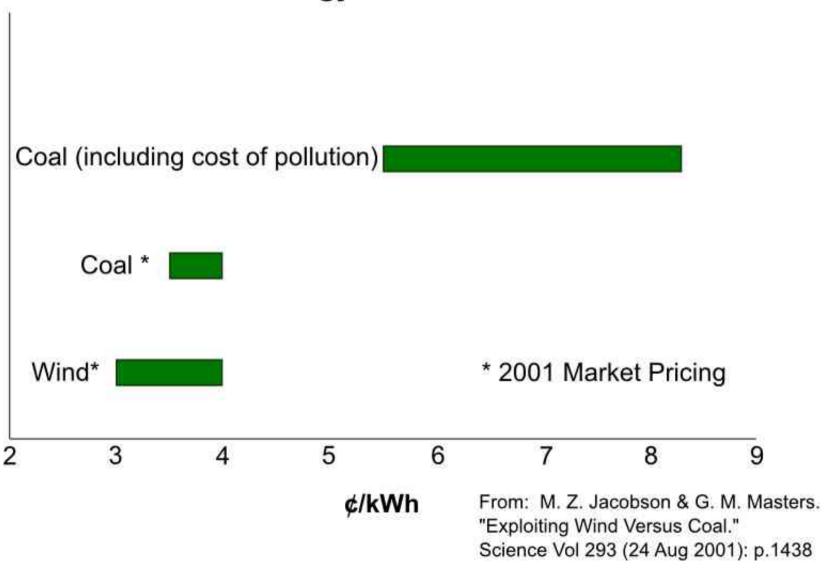


The only remaining technical and economic barrier to a 100% de-carbonized electrical system is the lack of large scale energy storage.

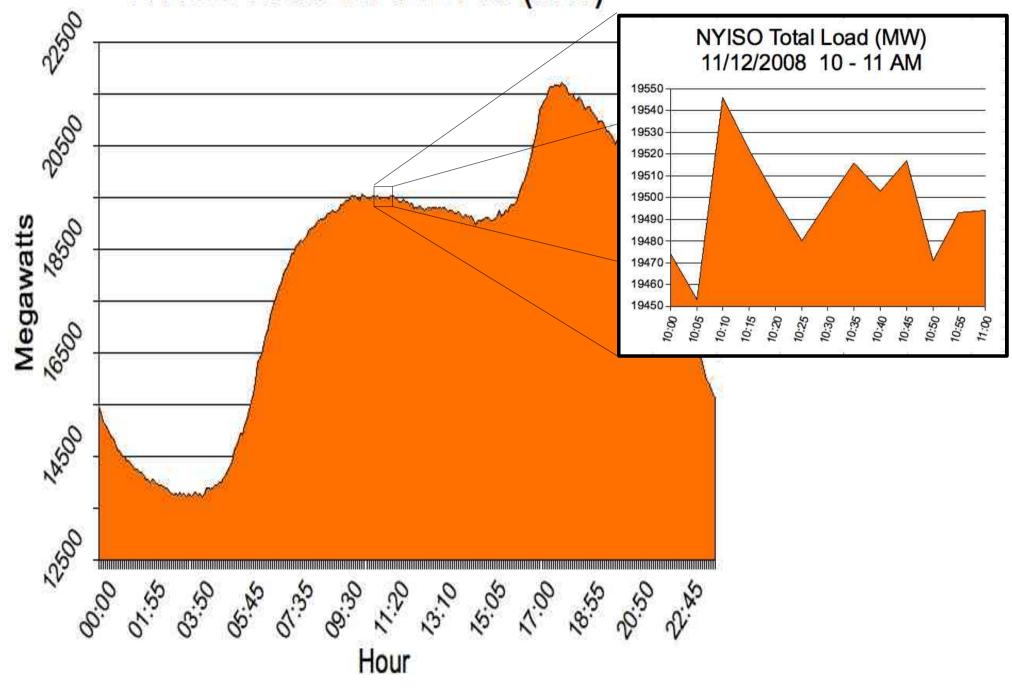
Allow me to explain...

Wind IS Cheaper than Coal!

Costs of Energy from New Generation



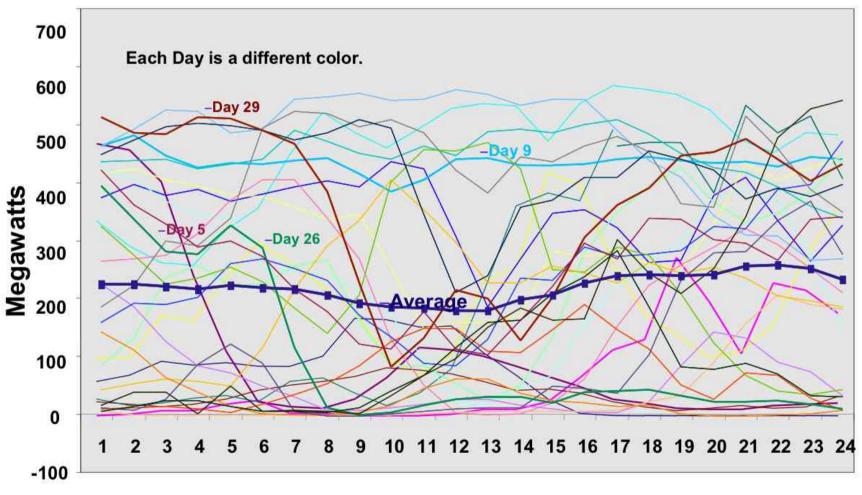
NYISO Load 11/12/2008 (MW)



You Get Wind Energy When the Wind Blows!

- Cannot Increase or Decrease Production to Meet Demand.
- Very Difficult to Predict Day Ahead or Even Hour Ahead.

Tehachapi Wind Farm Output - April 2005

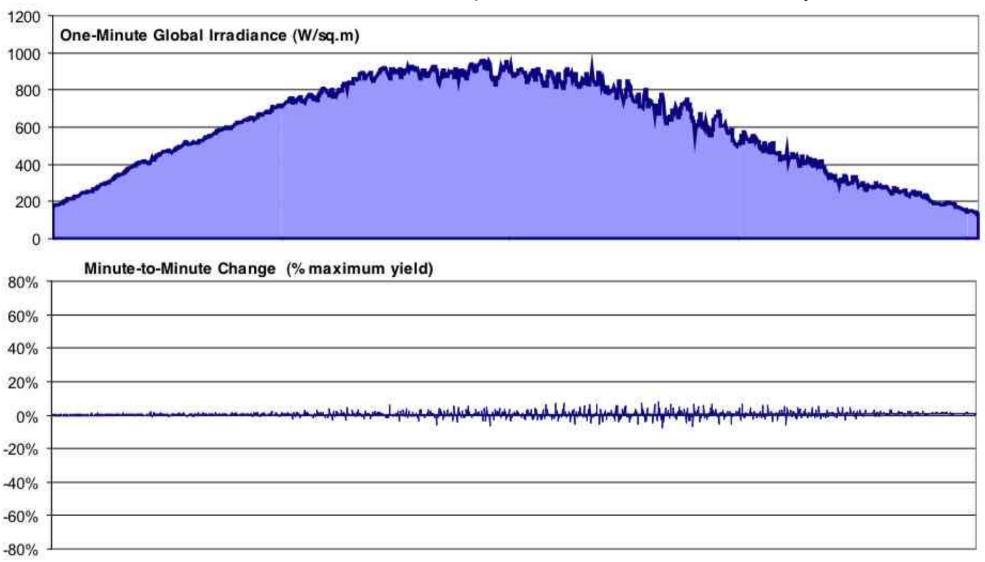


Hour

From "Briefing in the CAISO Renewables Integration Study", October 17 2007

... And You Get Solar Energy When the Sun Shines!

Actual Minute to Minute Output of Network of 20 Solar Arrays



From "Photovoltaic Capacity Valuation Methods", Solar Electric Power Association May 2008

"An Urban Legend:

Random Fluctuations from Geographically Diverse Sources do *not* Cancel Out.

Instead:

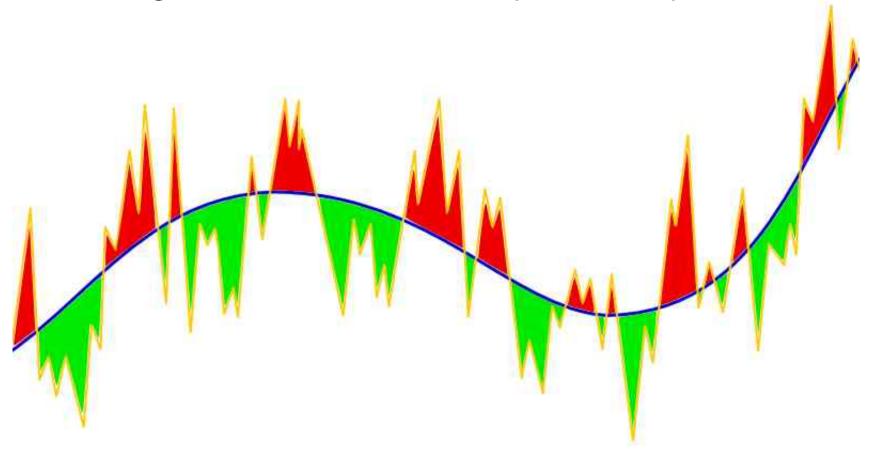
$$R = sqrt ((R_1^2 + R_2^2)/2)$$

Noise + Noise = more Noise"

- Dr. Imre Gyuk, US Department of Energy

Grid Scale Energy Storage Will Smooth Intermittent Supply & Variable Demand...

...making 100% de-carbonization possible & profitable.



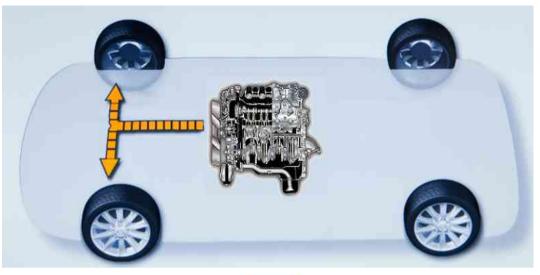
"20% renewables integration will be possible, but difficult without energy storage, and we'll have to use a whole lot of natural gas to back up the renewables. Energy storage will certainly make it a lot easier.

I can't see how it's possible to get to 33% without significant energy storage resources on the grid."

David Hawkins
 Lead Renewables Integration Engineer
 CAISO

Energy Storage will also Dramatically Improve the Efficiency of Fossil Fuel Technologies

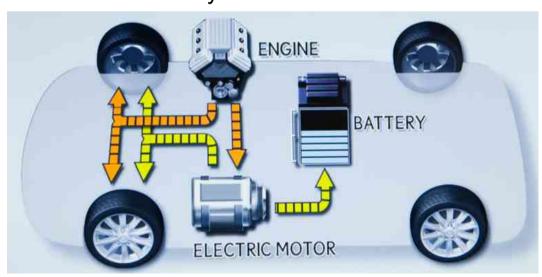
Traditional Drive-train





Hybrid Drive-train

Energy Storage *is* what makes a "Hybrid" a Hybrid

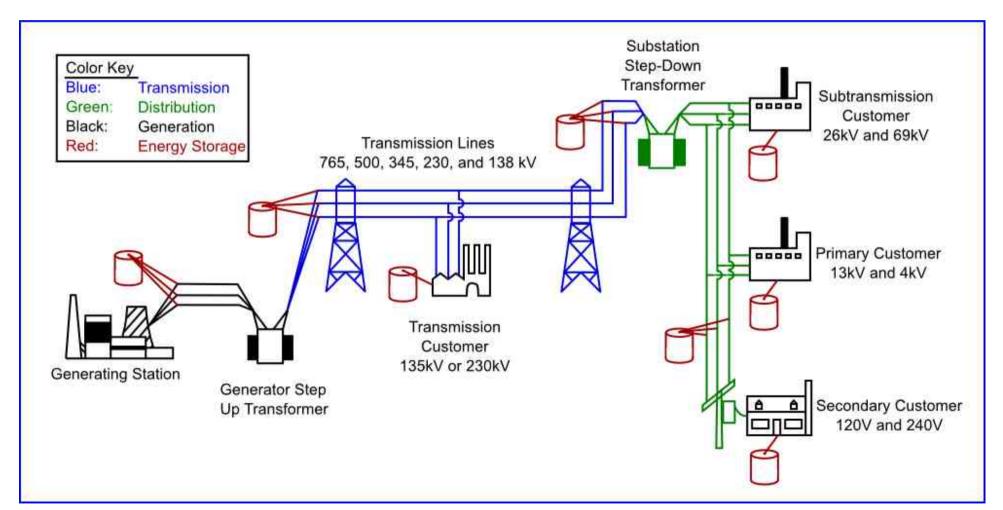


Grid Scale Energy Storage will make today's Electrical System "Hybrid," just like the Toyota Prius.



Adding Energy Storage to Today's Grid will...

- Reduce Pollution
- Improve Power Quality
- Reduce Electricity Costs
 Increase Available Power
 - Increase Reliability & Energy Security
 - Support Renewables Integration



Adapted from "Understanding the Grid" North American Electric Reliability Corporation http://www.nerc.com/page.php?cid=1|15

If grid scale energy storage is so great, why isn't anyone doing it already?

A number of groups provide functional solutions...

NaS Batteries

NaS Batteries

NaS Batteries



Traditional Flywheels
Beacon POWER

Flowcell Batteries



Li-Ion Batteries
A123
SYSTEMS

But these currently available technologies are far too expensive to provide stored power on a large scale.



Velkess has recently demonstrated a novel flywheel technology that can provide economical grid scale energy storage.

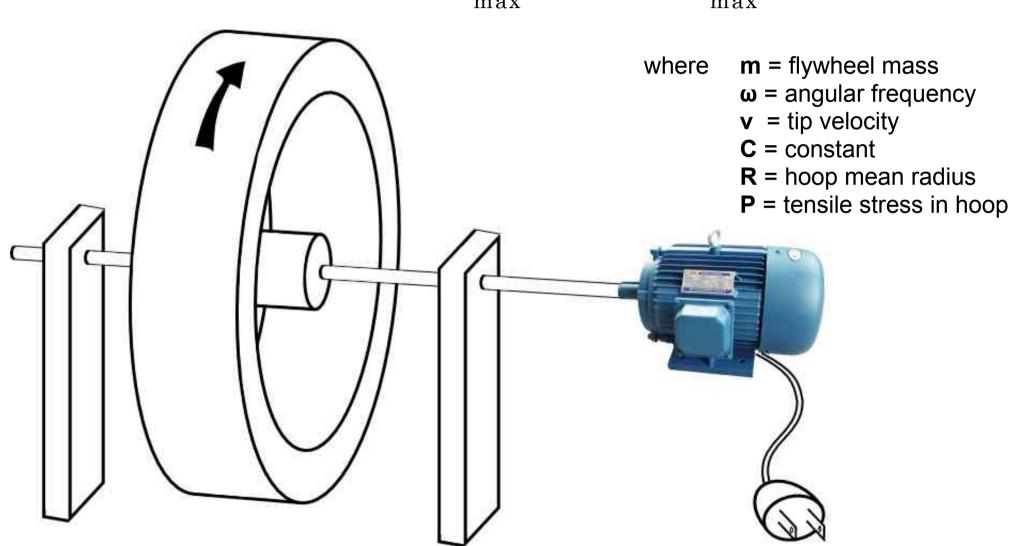
Velkess's initial production will cost approximately 1/10th the price and run with 2x the efficiency of the best energy storage technologies available today.

Velkess is currently working to commercialize this technology

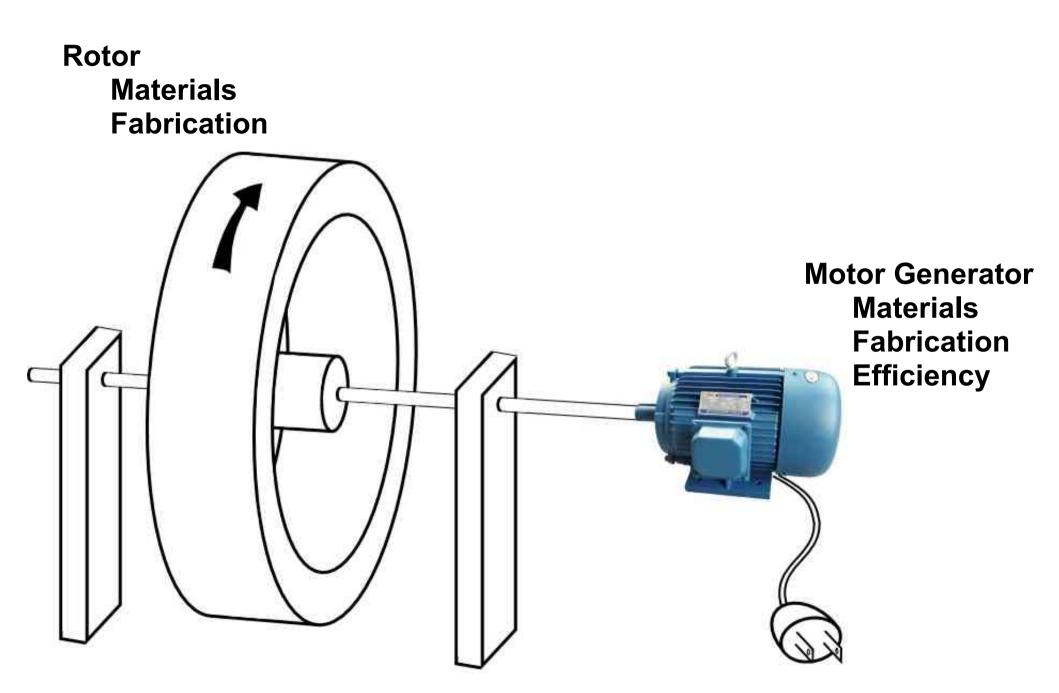
Basic Flywheel Overview

$$E = \frac{1}{2} \text{ m v}^2 = \frac{1}{2} \text{ m } (\omega R)^2$$

$$E_{max} = C * \pi R P_{max}$$



Primary Cost Areas for a Flywheel



Velkess's Core Technologies Enable Radically Lower Cost While Preserving Excellent Efficiency and Performance

Self Stabilizing Flexible Flywheel Rotor System

Dramatic Cost Reduction of Storage Medium

Dramatically Lower Bearing Loading

Inherent Stability = Safety

Easy to Manufacture

Floating Rotor Electrostatic Motor Generator

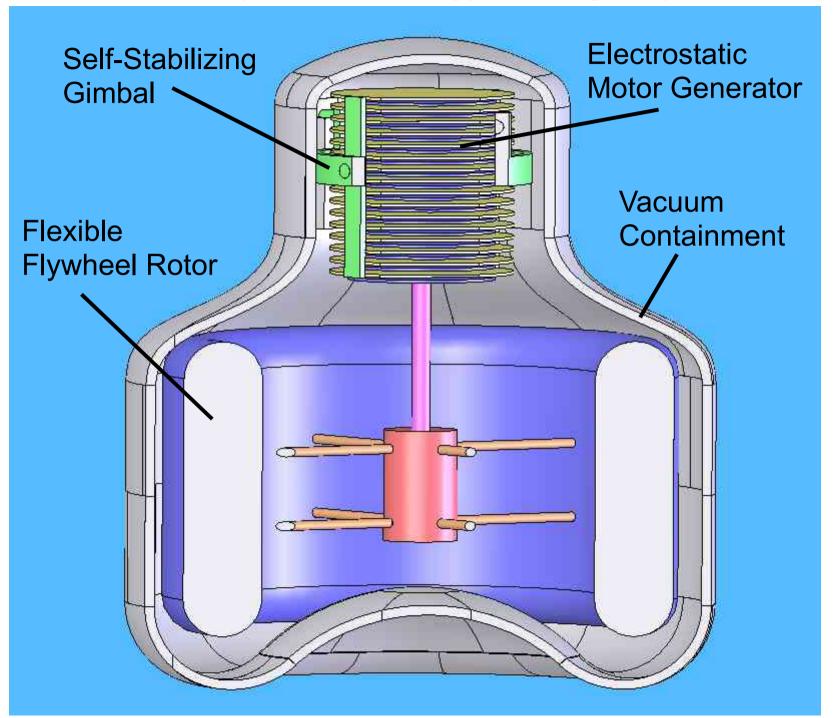
Extremely High Efficiency

Very Low Cost

Operates Natively on High Voltage

Easy to Manufacture

Velkess Flywheel Energy Storage System



The Self Stabilizing Flexible Flywheel Rotor System

Operation based on principles first proposed by Dr. R.T. Schneider of NASA/Univ. of Florida. in 1975. First practicable design documented by Dr. John Vance and Dr. Brian Murphy in the late 1970's at Texas A & M.

Flexible flywheel achieves stability by accommodating natural rotor behavior. System not working under the "Rigid Body Assumption" that underpins traditional rotordynamic computational models.

Passive stability without active electronic components.

Dramatically lower bearing loading.

Eliminates "hoop stress" shear forces that limit traditional designs.

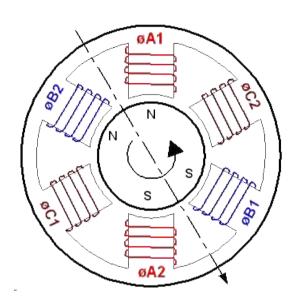
Can accommodate lower Young's Modulus (stretchy) materials.

Radically lower cost of materials and fabrication

VELKESS Kinetic Energy Storage Systems

Electric / Kinetic Energy Conversion

Electro*magnetic* Machine



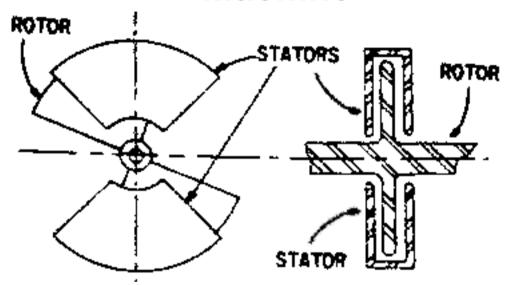
Traditional Technology

High Power Density

Current Driven

High Efficiency Possible (But at Very High Cost!)

Electrostatic Machine



Older, But Little Used Technology

Lower Power Density

Voltage Driven

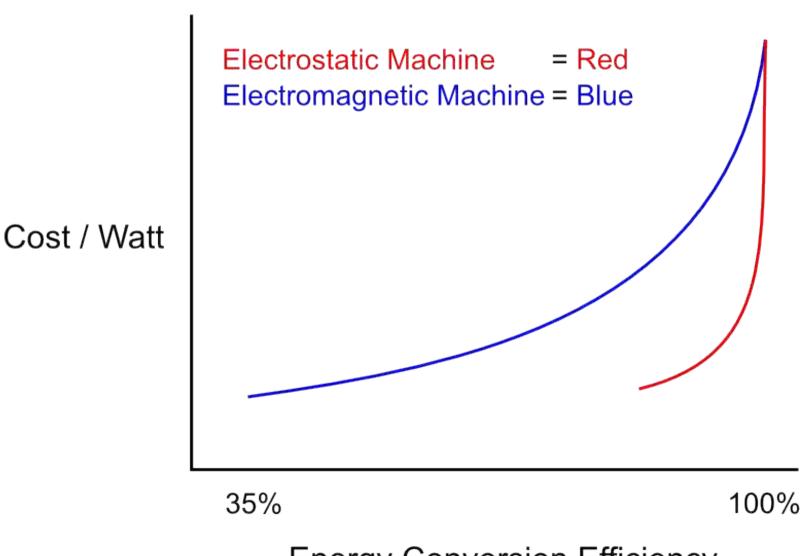
Inherently High Efficiency

Primary Materials: Copper & Iron

Primary Materials: Ceramic or Plastic

Floating Rotor Electrostatic Motor Generator

Why not use a standard electromagnetic machine?



Energy Conversion Efficiency

Floating Rotor Electrostatic Motor Generator

Floating Rotor Electrostatic Generator Originally Invented and Demonstrated by Dr. Sanborn Philp, Chief Physicist General Electric High Voltage Laboratory. First published in 1977.

- Natively High Voltage Device
- No Electrical or Physical Contact with Rotor
- Made Primarily of Low Cost
 Ceramic Materials
 1/200 the Cost of Copper
 1/50 the Cost of Silicon Iron

- Extremely High Efficiency
- Extremely Low "Parasitic Losses"
- Extremely Low Rotor Heating/Dissipation

Integrates with Transmission at Transmission Voltages. Does not Require Investment in Step-Down Electronics.

Together These Technologies Yield High Performance Energy Storage at Dramatically Lower Cost.

Current Projections for Energy Storage Using Current Technologies

= \$2.5M - \$3M / MW

Velkess Projected Initial Product Costs

= \$300k / MW

Current Project Status

Working Demonstration Prototype

Flexible Flywheel & Electrostatic Machine Working Together

Medium Vacuum Environment (1E-5 Torr)

Operating with 85% DC to DC efficiency

Development Stalled by Lack of Resources

Currently Seeking Funding to Develop...

Grid Connected Demonstration System

Engineering Team

Initial Manufacturing

How Can You Help?

1) Provide Guidance on How to Bring this Project to the Department of Energy for Demonstration Funding

2) Develop and Share an Informed Technical Opinion of the Project

Thank you

For more information please visit...

www.velkess.com

or contact:

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